



Australian Government

FNSPAY511 Process salary packaging arrangements and additional allowances in payroll

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSPAY501 Process salary packaging arrangements and additional allowances in payroll.

Application

This unit describes the skills and knowledge required to process salary packaging arrangements and additional allowances for employees in payroll systems. This includes analysing an organisation's salary packaging and additional allowance arrangements, assisting employees to interpret prepared arrangements, and issuing payment summaries.

The unit applies to individuals who, within their level of authority, use established payroll systems, systematic approaches and analytical techniques to prepare data, calculate and verify payments, and ensure compliance with regulatory requirements.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Payroll

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Analyse organisation's salary packaging and additional allowance arrangements	1.1 Identify organisational and legislative requirements for salary packaging arrangements and additional allowances 1.2 Evaluate benefits and costs of different salary packaging options 1.3 Determine organisation's preferred salary packaging model 1.4 Identify range of benefits that form part of employee salary

ELEMENT	PERFORMANCE CRITERIA
	packaging arrangements 1.5 Verify that salary packaging arrangements and additional allowances comply with required legislation and organisational policies and procedures
2. Assist employees to interpret prepared salary packaging arrangements	2.1 Prepare information for employees on available salary packaging options 2.2 Distribute information to employees according to organisational policies and procedures 2.3 Assist employees to assess the implications of salary packaging options on assessable income and employment conditions
3. Process salary packaging arrangements in payroll system	3.1 Obtain employee information required to process salary packaging arrangements according to organisational procedures 3.2 Enter information into payroll system and check for accuracy against source information, seeking clarification as required 3.3 Determine tax and non-tax components of salary packaging arrangements 3.4 Calculate impact of salary packaging on employee's assessable income in payroll system
4. Process additional allowances in payroll system	4.1 Obtain employee information required to process additional allowances relating to their employment conditions according to organisational procedures 4.2 Enter information into payroll system and check for accuracy against source information, seeking clarification as required 4.3 Calculate impact of additional allowances on employee's gross income in payroll system 4.4 Adjust additional allowances to be paid to employee in response to changes in their employment conditions as required
5. Issue income statement and document outcomes	5.1 Issue income statement using Single Touch Payroll according to legislative and organisational requirements 5.2 Produce, review and store payroll records relating to employee salary packaging arrangements and additional allowances according to organisational policies and procedures

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Oral communication	Uses vocabulary, pace, intonation and gestures relevant to audience when communicating with stakeholders to seek and provide information
Numeracy	Analyses financial data and performs mathematical calculations to complete requirements of complex and non-complex payroll documentation
Reading	Researches and analyses financial information and data from a range of sources to identify key aspects relating to requirements
Writing	- Records information and completes forms using correct spelling, grammar, terminology, and conventions - Uses clear language and concepts appropriate to audience to convey and clarify explicit information and requirements in written documentation
Technology	Uses the main features and functions of digital tools and payroll system software in a range of familiar and some unfamiliar contexts

Unit Mapping Information

Supersedes and is equivalent to FNSPAY501 Process salary packaging arrangements and additional allowances in payroll.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSPAY511 Process salary packaging arrangements and additional allowances in payroll

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- process salary packaging arrangements and additional allowances in payroll, each on at least three occasions.

In the course of the above, the candidate must:

- confirm compliance of salary packaging arrangements and additional allowances with applicable regulatory requirements and organisational policies and procedures.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative, regulatory and taxation system requirements relevant to salary packaging arrangements, additional allowances and issuing income statements using Single Touch Payroll
- benefits and costs to organisations and employees of salary packaging arrangements
- items to be included in salary packaging options, including:
 - impact of options on assessable income
 - employment conditions
- different arrangements for salary packaging, including:
 - gross salary plus benefits
 - total employment costing
- common benefits that can be included in salary packaging arrangements, including:
 - fringe benefits

- exempt benefits
- concessional benefits
- novated lease arrangements
- purchased leave arrangements
- superannuation contributions
- common types of additional allowances, including:
 - car allowances
 - living away from home allowances (LAFHA)
- external and organisational sources that can be accessed for additional information on salary packaging arrangements and additional allowances
- organisational requirements and methods for issuing income statements using Single Touch Payroll
- required sources of information for identifying additional allowances, including:
 - employment contracts
 - salary sacrifice agreements
 - novated lease agreements
 - purchased leave agreements
 - organisational policies and procedures.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, technology, software and consumables required to process salary packaging arrangements and additional allowances for employees in payroll systems, including payroll system
- organisational policies and procedures.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>